

A review of Solomon Islands was not available for this issue.

## FIJI

The first significant event of the year came in February when the country went to snap polls following the defeat of the budget in November 1993. The budget was defeated by 10 government backbenchers who joined 27 Indo-Fijian opposition members to vote against it. Sitiveni Rabuka's opponents had hoped to use the election to oust him from office, but they miscalculated. Confounding critics and dissidents, Rabuka and his party, the *Sogosoqo ni Vakavulewa ni Taukei* (SVT), returned to power with 32 of the 37 seats reserved for ethnic Fijians under the 1990 constitution, and formed a coalition government with the General Voters Party. On the Indo-Fijian side, the National Federation Party increased its parliamentary majority from 14 to 20, while the Fiji Labour Party won the remaining 7 allocated to the Indo-Fijian community (Lal 1994).

Fijian parties including the Fijian Christian National United Front, led by the fiery nationalist Sakiasi Butadroka, and the All Nationals Congress, led by Apisai Tora, failed to win any seats, while SVT's chief rival, Josefata Kamikamica's newly formed Fijian Association Party, with Ratu Finau Mara as one of its candidates, managed to win only five seats, three of them in Lau where President Ratu Mara is the paramount chief. Kamikamica, silently backed by Mara, lost his

Tailevu seat to SVT's candidate, Bau high chief Adi Samanunu Talakuli. Rabuka accused his Fijian detractors of disloyalty and treachery and asked his people for a second chance. They responded. The Indo-Fijian side of the electorate preferred Jai Ram Reddy's moderate, conciliatory stance to Labour leader Mahendra Chaudhary's more aggressive tone.

Back in office with a secure mandate, Rabuka promised the country a "stable, decisive, consistent and coherent" government (PR, 21 Mar 1994). To that end, he resurrected a previous, hastily conceived proposal to include the National Federation Party (NFP) in a coalition government. The suggestion came in typical Rabuka fashion, without consultation or prior discussion with anyone, including his parliamentary caucus. Neither his own party nor the NFP knew precisely what Rabuka had in mind. "The door will be kept open but it will require careful consultations on both sides and between ourselves," he said (FT, 1 Mar 1994). Reddy was unimpressed. Calling Rabuka's offer "highly speculative," he cautioned, "The potential gulf between us and the Government on a future constitution of Fiji could be so enormous that it would be utterly unrealistic for the opposition to get locked into a government of national unity until such time that we are able to narrow down those differences" (FT, 4 Mar 1994). Nothing more was heard of the proposal.

Fulfilling his campaign promise to provide a lean and effective govern-

ment, Rabuka began by reducing the size of his cabinet from 25 (including 7 ministers of state) to 12. Dropped from the cabinet were Rabuka's long-time ally from the Taukei Movement days, Ratu Inoke Kubuabola, and the powerful Macuata politician Militoni Leweniqila, the prime minister's uncle. Leweniqila was brought back into cabinet later in the year, along with Filipe Bole, the defeated SVT candidate for Lau, who was subsequently rewarded with a seat on the senate and from there inducted into the cabinet as minister for foreign affairs. Kubuabola became a thorn in Rabuka's side. Among other things, he revealed embarrassing details of the prime minister's tryst with a Fijian journalist in an effort to force him to resign from office. Rabuka refused, and the parliamentary caucus of the SVT endorsed his decision after being told that the prime minister had confessed the incident to his wife and his pastor. Still, Rabuka's personal reputation, as a moral leader and lay Methodist preacher, suffered a setback. Many also questioned his judgment about appointing the controversial millionaire businessman and close personal friend Jim Ah Koy, one of the two Fijian members from Kadavu, to the important Trade and Industry portfolio and empowering him with full responsibility for all government-owned companies, corporations, and statutory authorities. Ah Koy, many said, was the real power behind the Rabuka throne.

Among those dissatisfied with the cabinet reshuffles and the manner of Rabuka's intervention in other ministers' portfolios was the General Voters Party (GVP). Not only was their num-

ber in the cabinet reduced to one (later restored to two), but Rabuka also gave the impression of treating his GVP ministers with little respect. He first relieved Minister of Tourism and Civil Aviation Harold Powell of responsibility for the national carrier Air Pacific, and then overruled Minister for Infrastructure and Public Works Leo Smith's decision to sack for incompetence Ilaisa Senimoli, an ethnic Fijian, as director general of the Ports Authority of Fiji. These developments, which followed the GVP's well-publicized policy differences with the SVT—the GVP opposed the Sunday ban, the Serious Fraud Bill, and (silently) the transfer of state land to the Native Land Trust Board—disenchanted many party supporters. “No one is taking the party seriously any more because of the way we are being treated,” said one party founder. “It's becoming a joke” (*TR*, Dec 1994). How the GVP negotiates its relationship with its Fijian coalition partner will bear watching.

Rabuka's relationship with the opposition NFP and FLP was equally turbulent. Early in the year, he hinted in parliament at the possibility of a third and possibly more violent coup if Indo-Fijians continued to oppose his political agenda, which led both parties to stage a two-day boycott of parliament. Then came cabinet's decision to abolish Diwali and Prophet Mohammed's birthdays as national holidays and to replace them with a single holiday—14 May, the date of both the first coup and the arrival of Indian indentured laborers in Fiji. The decision was rescinded only after widespread protest by Hindus, Muslims,

and Christians alike, creating skepticism in the general public about the government's commitment to multiculturalism. Provoked by these actions, the NFP and FLP downplayed their differences and began cooperating on issues critical to their constituencies. On the Fijian side, too, Rabuka's opponents began exploring the possibility of joining hands. A series of meetings took place between the Fijian Association Party and the All Nationals Congress, now headed by Adi Kuini Bavadra (*TR*, Oct 1994). Whatever the outcomes of these talks, the truth remains that the difference between Rabuka and his Fijian opponents is not one of substance, for they all agree on the principle of Fijian paramountcy, but one of degree. They all want Indo-Fijian participation in government; none of them wants full partnership.

Speculation that Rabuka's opponents in parliament might once again use the budget debate to defeat the government proved unfounded as Finance Minister Berenado Vunibobo presented what he called a "mild and affordable budget" (*SSD*, 2 Dec 1994) with a net deficit estimated at US\$43.6 million, or 2.5 percent of the gross domestic product. Expenditure was estimated at US\$582.7 million, and revenue at US\$487.8 million. Excise duty was increased on alcoholic beverages, tobacco, and all types of motor vehicles and motor fuel. The opposition questioned the government's expenditure priorities, in particular the allocation of F\$38 million to the Fiji Military Forces, which have had a consistent history of overspending. In 1993, for example, an unapproved

F\$9 million was granted to the army, and in September 1994, another F\$9 million was appropriated from additional provisions for military emoluments and allowances (*TR*, Dec 1994).

In contrast, the police force was allocated only F\$23.8 million for its recurrent expenditure. Police Commissioner Isikia Savua had asked for more than F\$30 million to equip the force with more personnel, vehicles, and sophisticated communications systems to combat crime. He wanted the police to become more visible in the community. To boost morale, he also proposed better insurance cover for them (*FT*, 22 Dec 1994). The government's reluctance to commit more resources to the police dismayed many, especially because there was a marked increase in crime during the year. By October, only 5,270 of the 16,257 crimes reported to police had been solved. Murder and attempted murder recorded the highest percentage increase, followed by rape or attempted rape, robbery with violence, drug-related crimes, serious assault, fraud offenses, theft and burglary, and house break-ins (*FT*, 8 Dec 1994). Perhaps even more disturbing than the increase in the number of crimes, is the occurrence of violent crimes in rural areas by urban youth, mainly young Fijian men. The government wants to strengthen rural Fijian cultural institutions to stem the flow of Fijian youth to urban areas. It has even talked of resurrecting the old Fijian court system to deal with Fijian criminals. Whether any of these initiatives will bear fruit remains to be seen, but crime, and all the problems associated with it, is

increasingly becoming a depressing feature of life in Fiji (*TR*, Nov 1994).

Rabuka received mixed reviews on the domestic front. On the external front, however, he fared slightly better. During the year, he made several state visits, the main aim being to normalize Fiji's external relations and to improve trade. His visit to the People's Republic of China late in September promised more economic cooperation and further improvements in trade, which increased from US\$2.3 million in 1976 to US\$25.25 million in 1993 (*SSD*, June 1994). China has already invested F\$5.4 million in eleven enterprises in Fiji, and offered an interest-free loan of F\$5 million (*PR*, 3 Oct 1994). While in Beijing, Rabuka asked the People's Republic of China to establish a volunteer program, like the American Peace Corps, in Fiji. In June, Rabuka visited Australia to open Fiji's Consulate-General in Sydney, designed to improve economic relations between the two countries. Australia's annual export of goods and services to Fiji exceeds US\$200 million, while Fiji's exports to Australia are valued at US\$86.6 million (*SSD*, 14 July 1994). Rabuka also raised concerns over the terms of SPARTECA (South Pacific Regional Trade and Economic Cooperation Agreement), which, he said, were being used by Australia to place barriers on duty-free access to its markets for exports from island country members of the South Pacific Forum (*PR*, 11 July 1994). Farther afield, Japan, the third largest buyer of Fiji's sugar, promised to increase its purchase to 100,000 tonnes, and the Malaysia Borneo Finance Group bought one of Fiji's oldest trading houses, the Car-

penter Group of Companies. Members of the Fiji Trade and Investment Board visited Thailand, Singapore, and Malaysia to strengthen emerging Asia-Pacific trade and manufacturing links.

On his overseas trips, Rabuka assured his hosts that his government was committed to resolving the one issue that remains a stumbling block in Fiji's relationship with the international community: the racially weighted 1990 constitution. Rabuka committed himself to a review of the constitution, but exactly how that was to be accomplished remained a matter of dispute and debate throughout the year. The terms for a constitutional commission were agreed between the government and the opposition in 1993 (*Lal* 1994). In August, a 20-member parliamentary select committee was appointed, consisting of 11 government and 9 opposition members. This committee was to determine the size and composition of the commission, receive its report, and facilitate its passage through parliament. After several confidential meetings, the committee agreed on a 12-member commission, comprising 6 ethnic Fijians, 5 Indo-Fijians and 1 General Voter, but further discussions stalled on the question of who would chair it.

The government was adamant that the chair should be a local, though in May it had agreed to an independent chair from overseas (*DP*, 10 Oct 1994). The person it had in mind was Chief Justice Sir Timoci Tuivaga. Why a local? asked Filipe Bole, the government's spokesman on the review, "Why should I have someone from outside to tell me, to lead me into a constitution which is acceptable to



me?" (*PR*, 28 Nov 1994). The opposition, on the other hand, pressed for an outside jurist of international reputation. Bole accused them of lack of patriotism, saying the Indo-Fijians "would be more satisfied if things were spelled out for them by non-Fijians." The Indo-Fijians, he asserted, did not have "the same emotional attachment to the country as the indigenous people." Unable to move the government, the opposition threatened to boycott parliament and abandon the review process altogether. That was averted when in November the government reluctantly agreed to a three-member commission, to be made up of one Fijian, one Indo-Fijian, and an outside chair. Whether the government will abide by its undertaking to have an independent review of the constitution remains to be seen, for powerful sections of the Fijian community, including the Great Council of Chiefs, want no dilution of the power they enjoy under the present constitution. Filipe Bole himself conceded that the idea that Fiji's political leadership should always remain in Fijian hands "is very deeply entrenched and will be very difficult to erase" (*TR*, Nov 1994).

Protection of Fijian interests, very broadly defined, will have to be the cornerstone of the revised constitution, recognizing the Fijian view that political leadership in "their country" is not passed on to others "through the accident of an introduced political system." The Indo-Fijian leaders, whatever their other differences, are adamant that they will never accept a constitutional arrangement, like the present one, that will consign their community to political irrelevance.

Amid all the problems, there is some room for optimism. The government is mindful of international pressure and has floated proposals for power sharing, even though these are vague at this stage. For example, a system of proportional representation has been mooted. A proper and broadly acceptable review of the constitution could pave the way for Fiji's reentry to the British Commonwealth and reestablish the severed links with the British monarchy. The constitution will be at the top of Fiji's political agenda in 1995.

Another issue likely to dominate public discussion is the renewal of agricultural leases, which begin to expire in 1997. Just how difficult the discussion could become was evident in the defeat of the FLP's motion in parliament to form a joint select committee to begin talks on extending the expiring leases. Such an arrangement has been used from time to time to resolve issues that impinge on important national interests. But the government refused, saying it would only "play the role of facilitator and an interested administrator in the negotiations between the true players and ALTA [Agricultural Landlord and Tenant Act]," the true players being the landlords and the tenants (*DP*, 16 Nov 1994). This hands-off approach will suit the Fijian landlords, who own virtually all the agricultural land in Fiji, and who expect to get premiums for renewals starting from F\$15,000, something which, according to deputy leader Harish Sharma, is specifically excluded from ALTA. The Indo-Fijian tenants, vulnerable at the best of times, will face an uphill battle in negotiating renewals with the monolithic land-

owner representative, the Native Lands Trust Board. Meanwhile, Indo-Fijian tenants in parts of Viti Levu have already begun to enter into de facto share cropping arrangements with their Fijian landlords. Lease renewals could very likely become an explosive political issue. Fijian politicians, such as former Minister of Primary Industry Koresi Matatolu, have already linked renewals, on whatever terms, to Indo-Fijian acceptance of Fijian political dominance. In all, 1994 was a relatively quiet year for Fiji after the turbulence of the February snap elections. With the review of the constitution, negotiations for the renewal of expiring agricultural leases, and the law-and-order situation likely to dominate Fiji's public agenda in 1995, 1994 may come in due course to be seen as the lull before the storm.

BRIJ V LAL

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### NEW CALEDONIA

If the 1980s were a time of confrontations, when Kanak nationalists gained greater access to the political power structure, the 1990s seem to be a time of negotiations over the self-determination issue. Director of the Protestant Educational Alliance Billy Wapotro says that no one wants to return to the violence of the past and that Kanak nationalism must now employ "strategies to exorcise fear." Even Jacques LaFleur, leader of the pro-French *Rassemblement pour la Calédonie dans la République* (RPCR)—and a fellow Protestant—is capable, Wapotro believes, of a "cure of the soul." In fact, LaFleur first proposed a "consensual solution" in 1991, to make the 1998 referendum on independence less of a "guillotine." Sylvain Pabouty, of the Political Bureau of the *Front de Libération Nationale Kanak et Socialiste* (FLNKS), calls its new task a "labor of ants": day-to-day dialogue and mutual education that may not show up in the news headlines.

French Minister for Overseas Territories Dominique Perben reiterated his commitment to "Matignon II." The Matignon Accord of 1988 brought peace and granted more local power and development money to the FLNKS-ruled Northern and Islands Provinces, while the RPCR still controls the more populous, multiethnic and industrial Southern Province. Perben vowed to infuse the postconfrontational phase of Matignon with more "elan" to achieve two goals: interethnic consensus and socioeconomic progress. He announced a 2.28 percent increase in his ministry's budget and

listened favorably to the request of Paul Neaoutyine, president of FLNKS and mayor of the northern town of Poindimié, to keep the French aid money flowing. French High Commissioner Alain Christnacht, respected as a Matignon supporter, was replaced in August by Didier Cultiaux, former administrator of Réunion. In less than a month, the new commissioner's own staff went on strike, and he began to clamp down on both union picketing and the proliferation of squatters around Noumea. On a visit to a local educational agency, Cultiaux said that the Kanak identity is not only traditional but also "mixed," because of colonialism. "We must not forget," he added, "that we are a francophone ship in an anglophone ocean."

In May, the pro-independence Protestant churches called together an international roundtable to evaluate progress under the Matignon Accord. The general conclusion, Wapotro said, was that "1998 is a race we don't want to run." He was particularly concerned that young Kanaks should be well grounded in their own culture as they seek diplomas for jobs in the modern sector. The curricula of the former Kanak Peoples Schools have in large part been absorbed by the Protestant educational system.

The role of the FLNKS in nation-building has changed, now that it has been participating in local governance for over six years. Willy Gorodité of the Poindimié mayor's office says that voters are expecting tangible, material rewards, such as jobs for educated young Kanak. Of 211 graduates from the "400 cadres" training program, 74 percent are Kanak, mostly female, and

employed by the government. The Northern Province is using French aid to build schools, clinics, and a new cross-island road, as well as investing in a nickel mine and a tourist resort. The road is costly and, like the new ferryboat between Noumea and Ouvea, has become a target for loyalist critics of "wasteful" spending.

In the fall, party congresses met to organize their campaigns for the spring 1995 elections. LaFleur warned his followers about the danger of "racist independence" after 1998 if the FLNKS won, and called for a thirty-year pact on New Caledonia's future after the 1995 vote. He proposed territorial unity, more devolution of decision-making from Paris to Noumea, and hard work by all Caledonians to prove themselves worthy of autonomy.

LaFleur also suggested rewording the 1998 referendum to "avoid the direct and fatal question of yes or no to independence." These ideas, along with his proposal that a party must obtain at least 5 percent of all registered voters to win a seat, were opposed by the FLNKS. A millionaire businessman who has been accused of monopolistic cronyism to keep control of the local economy, LaFleur decried the closure of Noumea's port for two weeks by labor unions and recommended that France build a second port to prevent New Caledonia from being held "hostage." Loyalty Islander Dick Ukeiwe, who had left the RPCR in 1993 to form his own party, returned in September to the loyalist fold, which he said represented "the voice of reason."

"A consensual solution," Gorodité, says, "means to live together." That theme is argued strongly by François

Burke, president of the *Union Calédonienne* (UC), the largest party in the FLNKS. Founded in the 1940s on the motto Two Colors, One People, the UC has come out in favor of multiracial independence through negotiation. On the eve of the twenty-fifth UC Congress in November, Burke continued to speak of evolutionary change: "We are living in a period of long-term apprenticeship . . . we are not ready for independence in 1998, it's a reality." He opposes LaFleur's thirty-year pact on the grounds that the country will need maximum flexibility in the decades ahead. Yet the UC reaffirmed its goal of independence by proposing that France concede some government powers after the 1995 elections, namely those over immigration, foreign trade, mineral resources, labor laws, and education. Other FLNKS parties, such as PALIKA (*Parti de Libération Kanak*), criticized growing "immobility" in the decolonization process. The idea of national union lists in the local 1995 elections, to mobilize sentiments for independence in 1998, won both UC and PALIKA support.

Caught in between, the Wallisian minority (9 percent of the population) is being courted by both sides as a potential swing vote. Michel Hema, of the moderate *Union Océanienne* (UO), wants to establish a Wallisian voice in New Caledonia separate from the RPCR, which he says used his compatriots as "cannon fodder" against the Kanaks in the 1980s. Yet the UO will not come out in support of Kanak independence until it gets "guarantees," Hema says, "for our children." Wallis and Futuna, as an overpopulated, resource-poor French territory, is

not a viable place to return to if the Kanaks decide immigrant workers and their families are not fellow "victims of history." In the March 1993 legislative election, police chief Aloisio Sako led a rival faction of the UO that was open to independence; it won 300 more votes than Hema's moderates. On 12 February 1994, Sako formed a new political party, the *Rassemblement Démocratique Océanien* (RDO), 92 percent of whose founding delegates voted in favor of Kanak independence. Sako says that many Wallisians have now grown up in New Caledonia, and they hope to find a place in its future while recognizing indigenous paramountcy.

French Interior Minister Charles Pasqua, who is himself running for the national presidency in 1995, supports centralization to ensure that France remains a united republic in 2015. Pasqua suspended Sako and called for a disciplinary council to address the Noumea police chief's "lack of reserve." Sako received support from the FLNKS, Oscar Temaru of Tahiti, Kamilo Gata (Wallis and Futuna's delegate to Paris), and New Caledonia's largest labor union, USTKE (*Union Syndicaliste des Travailleurs Kanak et des Exploités*), but a hearing in August imposed a one-year suspension on him and referred his case to Paris for further review. The RDO accused local loyalists of "telecommanding" trumped-up charges from Pasqua, even though the independence issue should be a legitimate topic for the 1995 elections as well as the 1998 referendum. Despite Perben's rhetoric about consensus, the Sako affair raises serious questions about the kinds of free speech that France is willing to toler-

ate. LaFleur's condemnation of "racist independence" in September incurred no rebuke from Cultiaux.

Union activity was strong again in 1994, from a violent nickel truckers' strike in May, to a stoppage of Air France flights out of Noumea in July, to port closures in August and September, each of which lasted about two weeks. Led by Louis Kotra Uregei, USTKE sees itself as the multiracial vanguard of a new nation: socialist and supportive of Kanak sovereignty. USTKE is reconciling with the FLNKS after bitter accusations following the assassinations of Jean-Marie Tjibaou and Yeiwene Yeiwene in 1989 by a Loyalty Islander (Uregei's province). Tahitian docker organizer Michel Teharuru argues that New Caledonia's resources should be nationalized and that more local industries should be developed to reduce import dependency. Most critics of the status quo agree on broadening the economic base in a society distorted by the inflationary "hardship" salaries paid to French metropolitan officials. In October, the *Société le Nickel* (SLN), New Caledonia's largest mining firm, announced that because of a global rise in nickel demand, it would increase production by 20 percent.

Internationally, the Melanesian Spearhead Group supported Vanuatu's suggestion that the three French Pacific Overseas Territories be permit-

ted observer status at the South Pacific Forum. The FLNKS rejected the idea, preferring observer status as a political party. In March, the United Nations Committee on Decolonization expressed concern that the seizure in Noumea of a cache of arms linked to right-wing French extremists was a sign that the self-determination of New Caledonia was in jeopardy. Yann Céléné Uregei traveled to New York in October to request renewed pressure from the United Nations committee for the freedom of Kanaky. Delegates from the post-Matignon Consultative Council on Customary Affairs went to Vanuatu and Fiji to study land-tenure systems and found Fiji's tourist hotels impressive. The FLNKS has invested heavily in tourism in the North and Islands but sometimes comes into conflict with local chiefs over land use.

As the FLNKS celebrated its tenth anniversary on 18 November, UC President Burke warned that the twenty-first century will belong to the Asia-Pacific, so that dialogue, sound leadership, and gradual change are the keys to the country's future. One month earlier, French troops had reminded New Caledonians of the past alternative, by conducting field exercises in the North (with Australian and New Zealand military personnel observing).

DAVID A CHAPPELL

### PAPUA NEW GUINEA

Prime Minister Sir Julius Chan stated in his Christmas address that 1994 was the most turbulent, painful, and unpredictable of the nation's nineteen years of independence (*PC*, 28 Dec 1994, 5). Most who witnessed the sudden change of government in August, the volcanic destruction of Rabaul in September, the dramatic collapse of peace talks on war-weary Bougainville in October, the ominous confrontations over provincial government reform, the confusion surrounding the giant Lihir gold project, and the multi-billion-kina environmental lawsuit against the operators of the Ok Tedi mine, would agree. Affecting all of these issues and events was an unprecedented financial crisis, whose impact will be felt for some time.

The early part of the year was dominated by power struggles between dominant members of the ruling coalition, especially between Prime Minister Paias Wingti and Deputy Prime Minister Julius Chan. The ongoing rift between the two leaders had been pushed wide open by Wingti's reelection ploy of September 1993, executed without Chan's knowledge or approval (Wesley-Smith 1994, 455). In January 1994 Wingti strengthened his hand by ousting Chan from the powerful finance portfolio and replacing him with a staunch ally, former Minister for Mining and Petroleum Masket Iangalio (*PC*, 11 Jan 1994, 1). Although obviously unhappy with the reshuffle, Chan had little option but to accept the Foreign Affairs and Trade ministry instead (*PC*, 13 Jan 1994, 3). The extent of the disarray in the coal-

tion was soon revealed by a controversy over the reappointment of the commander of the defense force.

After Wingti left for visits to Australia and New Zealand in early February, Acting Prime Minister Chan announced that Defence Force Commander Robert Dademo had passed the stipulated retirement age and been replaced by Colonel Lima Dotaona. This cabinet decision was confirmed by Minister for Defence Paul Tohian, Chan's colleague in the Peoples Progress Party. Soon after the announcement, however, staff in Wingti's office indicated that the cabinet had decided in a subsequent meeting to change the compulsory retirement age from fifty to fifty-five and reappoint Dademo. Neither Chan nor Tohian was present when these decisions were made, and they refused to acknowledge Dademo's reappointment (*PC*, 17 Feb 1994, 1). Their dissatisfaction was shared by some in the officer corps who claimed that cabinet's action "undermines the spirit of the Defence Act and the National Constitution" (Dorney 1994a, 20).

The dispute intensified when Dademo and Finance Minister Iangalio accompanied an Australian television news crew to Bougainville. Chan told the press that he had not authorized the journalists' visit to the troubled province, and threatened to deport them. Presumably under orders from Chan, army intelligence officers searched Iangalio when he returned to Port Moresby and confiscated some film from his expatriate adviser. Iangalio in turn led the charge against Chan and his party colleagues, defeating a new attempt in cabinet to dump



Dademo. He told Chan that the television crew had been invited to visit Bougainville by Wingti, and any move against it would "make the prime minister and PNG a laughingstock" (Dorney 1994a, 21). The issue was eventually laid to rest when Wingti returned and declared that the decision to retain Dademo was "final" (PC, 21 Feb 1994, 3). Adding insult to Chan's injury, instead of ordering the television journalists to leave, Wingti invited them to his Mount Hagen home (PC, 18 Feb 1994, 2).

Iangalio and his successor as mining minister, John Kaputin, also disagreed publicly. In April, Iangalio dismissed Bob Needham as head of the Mineral Resources Development Corporation, a move that Kaputin claimed lacked cabinet approval (PC, 14 April 1994, 1). Then in June, when Kaputin surprised everybody by announcing a moratorium on new mining projects, Iangalio told the press that the plan had not been discussed in cabinet and would not be approved if it were (AFR, 7 June 1994, 22). Meanwhile, Chan's Peoples Progress Party and some members of the League for National Advancement were targeting Speaker Bill Skate, accusing him of using his privileged position in Parliament to build his own power base (PC, 2 Aug 1994, 1; 4 Aug 1994, 3).

Under the spirited leadership of Pangu Pati's Chris Haiveta, the parliamentary opposition attacked the fractured Wingti government from the outside. Haiveta produced evidence in Parliament to suggest that Wingti had bashed and attempted to strangle his former wife, Diane Kende-Wingti. He claimed that Kende-Wingti had

told former electoral commissioner Luke Lucas of the attack and also informed him that Wingti was having an affair with Lucas's estranged wife. Most damaging was Haiveta's suggestion that the prime minister had tried to dissuade Lucas from taking action against him by paying Lucas US\$100,000 and arranging for him to be appointed secretary of justice in 1993. Wingti dismissed the claims as "gutter politics" and refused to answer them publicly (PC, 3 March 1994, 1; 1 June 1994, 1).

These attacks may have reduced Wingti's already battered public standing, but the only effective way of challenging his leadership before the 1997 elections was via a parliamentary vote of no confidence. However, Speaker Bill Skate indicated early in the year that he would not allow such a motion. Wingti's snap reelection in September 1993, he argued, had earned him the eighteen months of immunity from such challenges guaranteed by the constitution (PC, 18 Feb 1994, 1). True to his word, Skate refused to accept notice of a motion of no confidence filed by the opposition in June (TPNG, 9 June 1994, 29). Then on 25 August 1994 the Supreme Court decided that Wingti's reelection in September 1993 was unconstitutional and Parliament would have to conduct a new election for prime minister.

The legal challenge to Wingti's reelection spearheaded by Chris Haiveta had been dismissed by the National Court in late 1993, but brought on appeal to the Supreme Court. When the private law firm working for the opposition withdrew its services, its fees unpaid, former

Attorney General Bernard Narokobi agreed to argue the case. He told the court that he accepted the legality of Wingti's resignation on 23 September 1993. However, he noted that Section 142(3) of the constitution requires that an election be held the next sitting day after Parliament is informed of a vacancy. The Speaker knew of the resignation on the twenty-third, but did not inform the house until immediately before conducting the election the next day (*TPNG*, 11 Aug 1994, 4). Apparently dismissing Wingti's case that advice to the Speaker was the same as advice to the house, the five judges ruled unanimously that the actions violated the constitution, its spirit, and its underlying principles.

The Supreme Court decision triggered a frenzy of political activity, as leaders scrambled to position themselves for the election on 30 August. On 29 August Sir Julius Chan formally severed his alliance with Paias Wingti, accusing him of wanting to "hold on to power for power's sake," and of running "a one-man show" (*TPNG*, 1 Sept 1994, 19). He announced a coalition between the Peoples Progress Party, Pangu Pati, and a cluster of smaller parties. At about the same time, rumors began to circulate that members of the Peoples Democratic Movement were seeking an alternative to Wingti as their candidate for prime minister. When Parliament convened the next day, Bill Skate was carrying the flag for what remained of the Wingti camp. Pangu member and former Prime Minister Rabbie Namaliu beat Tom Koraea to become the new Speaker of the house, while Chan easily won the vote for prime minister

with 69 votes to Skate's 32 (*TPNG*, 1 Sept 1994, 1).

Although Chan was able to argue convincingly that Wingti was largely responsible for his own downfall, observers were more skeptical of the new prime minister's ability to "restore and reinvigorate" trust in government. Chan and his party had worked with Wingti for nearly a decade, and the seven ministers reappointed to the new cabinet would have to share some of the responsibility for the "long trail of mismanagement and scandal" that Chan decried. Nor was his new coalition immune from the "unceasing jockeying for positions of power" that he said infected the political process "like a vicious disease" (*TPNG*, 8 Sept 1994, 36). The swearing-in of new ministers had to be delayed while differences among the coalition partners over the spoils of office were sorted out. In the end, the Peoples Progress Party claimed 13 of the 27 cabinet positions, with Pangu, led by Deputy Prime Minister Chris Haiveta, taking 9. Melanesian Alliance party stalwarts John Momis and Bernard Narokobi got the communication and agriculture portfolios respectively, while the National Party was represented by Paul Pora (civil aviation and tourism) and Mathias Ijape (defense). Leader of the League for National Advancement John Nilkare, who had defected from the Wingti camp at the last minute, was conspicuously absent from the lineup (*TPNG*, 8 Sept 1994, 1).

Chan's decisive action on the Bougainville crisis confounded the critics, at least for a while. The Wingti government had begun 1994 under intense pressure to find a solution to the seces-

sionist crisis, then entering its sixth year. Some of the pressure came from the United Nations Commission on Human Rights, which passed a strongly worded resolution on the Bougainville situation in March 1994. It criticized Papua New Guinea for its lack of responsiveness to earlier resolutions and effectively gave the government until 30 September to facilitate the commission's investigation of human rights abuses on the island (Commonwealth of Australia 1994a, 122-124). However, the escalating economic cost of the situation may have been more telling.

The government's very success in the battle for the hearts and minds of Bougainvilleans meant that the costs of the military operation were increasing. The immediate needs of displaced persons emerging from rebel-controlled areas had to be met in government "care centers" even before the costs of restoring infrastructure and normal services could be contemplated. In March, an estimated forty-four thousand people were in care centers, and by June the number had swelled to at least sixty thousand, perhaps close to half of the population of the province (PC, 16 March 1994, 2; 27 June 1994, 1). In August, Minister for Finance Iangalio estimated that the Bougainville operation was costing the government directly between 60 and 80 million kina per year, even before the lost income from the Panguna mine and other export industries was considered (TPNG, 25 Aug 1994, 27).

The government could ill afford these costs as the fiscal crisis (discussed later) deepened during the year.

Indeed, many costs were simply not met. The care centers suffered periodic food shortages, bills for essential supplies remained unpaid, and military operations were constantly hampered by lack of funds. At one point, all of the Defence Force helicopters were out of order, and the chartered helicopters were grounded because the terms of operation for the civilian pilots had expired (TPNG, 9 June 1994, 2). Meanwhile, with no military solution in sight, the death toll continued to rise. In the worst single incident, fourteen people were killed and more than twenty-five wounded when a convoy of trucks was ambushed by rebel forces near Buin in March (PC, 25 March 1994, 1; 28 March 1994, 1).

The first public indication that the government was eager to break the impasse came in February, when Prime Minister Wingti invited Australia to send a parliamentary delegation to the province. Senator Stephen Loosley led the delegation to Bougainville in April and emphasized that a military solution was impossible. He urged instead a ceasefire and a peace and reconciliation conference, and suggested that "sympathetic third party involvement" in the peace process might be helpful (Commonwealth of Australia 1994a, 41-45). More important than its specific recommendations was the delegation's role as "catalyst" and "circuit breaker" (Commonwealth of Australia 1994b, 1474). Even before the delegation's report was released, Prime Minister Wingti announced a huge increase in funding for the security forces in the province, as well as plans to establish a Human Rights Commission and a Police Complaints unit to deal with

allegations of human rights abuse (TPNG, 2 June 1994).

Much of the impetus behind the push for peace in 1994 came from Sir Julius Chan. Soon after he was relegated to the foreign affairs portfolio in February he began to solicit support for a regional peacekeeping force to be deployed on Bougainville. Shortly after this initiative was made public (by the King of Tonga) in the last week of May, secret talks began in Honiara between Papua New Guinea officials and representatives of the Bougainville Interim Government. This was the first time officials had met face-to-face with rebel representatives since 1991, and a "record of proceedings" signed on 11 June established a broad framework for further talks (SMH, 8 June 1994, 3; 14 June 1994, 3). However, the next round was canceled abruptly after a dispute over who should represent the rebel side, and Chan insisted that future talks be with the top officials "calling the tune in Bougainville" (PC, 28 June 1994, 2).

Meanwhile, other government leaders were pursuing a rather different agenda on Bougainville. In the second week of August defense force troops advanced into the rebel heartland and raided the mining town of Panguna. Although Prime Minister Wingti hailed this as a "historic moment" and Finance Minister Iangalio talked about reopening the copper mine, Chan condemned the move and later apologized for it (TPNG, 18 Aug 1994, 1; 25 Aug 1994, 22; PC, 5 Sept 1994, 1). Despite these hostile developments, Commander of the Bougainville Revolutionary Army Sam Kauona met with senior Papua New Guinea officials on

26 and 27 August at the Tamba resort near Honiara. At this time, of course, Chan's political future was uncertain, but three days after he was elected prime minister, he flew to Honiara to meet with Kauona. The result was the Honiara Commitments to Peace on Bougainville signed by Chan and Kauona on 3 September.

The agreement declared peace, provided for a negotiated ceasefire within seven days, the deployment of the regional peacekeeping force "as soon as practically possible" thereafter, the lifting of the blockade, and a pan-Bougainville peace conference to be convened no later than 10 October 1994. The Honiara Commitments were rightly hailed as a major breakthrough. Unlike earlier agreements, this one involved a key figure in the rebel leadership directly, it allowed for the neutral third-party involvement that rebel leaders had long insisted on, and it left the agenda for the proposed peace conference more or less open. Yet the peace conference effectively collapsed soon after it was convened in Arawa on 10 October, when the top leadership of the Bougainville Revolutionary Army, including Kauona, refused to participate.

Perhaps the single most important of the many elements contributing to the breakdown of the peace process was the pace of events (see eg, Spriggs 1994). A comprehensive ceasefire agreement was signed on 8 September, within the seven days agreed to in the Honiara Commitments (PC, 12 Sept 1994, 41). However, it was unrealistic to expect that Kauona would have time to discuss the many detailed provisions of the agreement with his com-

manders before the ceasefire took effect at midnight on 9 September. Evidence suggests that he remained in Honiara and made little effort to do so. Meanwhile, government officials moved at breakneck speed to get the peacekeeping force established and in place in time for the peace conference. The cabinet approved a status-of-forces agreement to allow foreign troops to operate on Papua New Guinea soil (*TPNG*, 2 Sept 1994, 3). Fiji, Tonga, and Vanuatu agreed to provide troops for the force, while Australia and New Zealand agreed to provide funding, training, and logistical support. On 28 September, Chan flew to Fiji to sign a status-of-elements agreement with representatives of participating governments, and shortly afterward the South Pacific Peacekeeping Force began training in Australia (*PC*, 4 Oct 1994, 14-15).

By the end of September, there were clear signs that Sam Kauona was uneasy with the way things were going. Perhaps the most obvious signal was his refusal to accompany Chan to Fiji for the signing ceremony, but his apparent reluctance to return to Bougainville was also cause for concern. At the end of the first week of October, still in Honiara, he warned that Chan was "rushing things" and reportedly requested that the peace conference be postponed to give his side more time to get organized (*PC*, 7 Oct 1994, 1). By this time, however, arrangements were well advanced, and Chan was even sending out invitations to foreign dignitaries to witness the signing of the agreement he assumed would eventuate from the Arawa conference. Long before the conference opened, the top

leadership of the Bougainville Revolutionary Army had lost any semblance of control over the peace agenda (Spriggs 1994, 19-21).

The strength of the peace initiative lay precisely in Chan's careful and conscious attempt to court Kauona and treat him as an equal party to the Honiara agreement. This aspect was increasingly neglected as time went on, perhaps because Chan, distracted by other government business and particularly by the disastrous Rabaul volcanic eruption of 19 September, was less involved in day-to-day developments. Other officials, including the Australian military officers orchestrating the peace-force deployment, were clearly less sensitive to such issues, and elements of the Papua New Guinea security forces may have actively attempted to derail the peace process. Rumors circulated of a plot to assassinate Kauona, rebel President Francis Ona, and Chair of the Interim Government Joseph Kabui, should they appear at the conference, and in the end the leaders made total withdrawal of Papua New Guinea security forces a condition of their participation (*TPNG*, 13 Oct 1994, 1; 20 Oct 1994, 4; Spriggs 1994, 21-22).

Prime Minister Chan, who had staked a great deal on the peace initiative, had little option but to declare the Arawa conference a success (*TPNG*, 17 Nov 1994, 10). At least it had demonstrated the willingness of many leaders to negotiate a settlement with the Port Moresby government (Dorney 1994b; Weeks 1994). On 18 October, the Bougainville Revolutionary Army's "legal advisor" Theodore Miriung, more than a dozen rebel commanders from

the north Nasioi area, and many others signed an agreement to that effect (*TPNG*, 27 Oct 1994, 4). On 25 November, Miriung, Nick Peniai, and Thomas Anis reached agreement with the government regarding the political future of Bougainville. The Charter of Mirigini for a New Bougainville provided for the establishment of a Bougainville Transitional Government by March 1995 and called for the renegotiation of the 1976 Bougainville Agreement, which had set the terms for the settlement of an earlier secessionist crisis (*PC*, 28 Nov 1994, 2). The top leaders of the Bougainville Revolutionary Army, whom Chan now describes as criminals, may have been marginalized by the events of 1994 (*PC*, 2 Nov 1994, 1). However, they retain the ability to disrupt any political settlement that falls short of their expectations.

Both Wingti and Chan encountered secessionist sentiments elsewhere in the country during 1994 as the battle over provincial government reform continued (Wesley-Smith 1994, 451-452). The first major confrontation came in early April, when the premiers of the New Guinea Islands provinces assembled in Kimbe, East New Britain, to consider their latest response to the national government's ongoing reform efforts. The premiers had previously made clear their preference for more autonomy within a united Papua New Guinea, and had threatened to secede if it were not granted. To make the threat more credible on this occasion, copies of the constitution of the proposed Federated Melanesian Republic were made available to the press (*PC*, 7

April 1994, 2). This time, the Wingti government adopted a hard line, threatening to arrest the leaders for sedition if they voted to secede. In an extraordinary move, Communication Minister Martin Thompson ordered the National Broadcasting Commission not to cover the Kimbe meeting in order to avoid inflaming "racial or sectional feelings" (*PC*, 7 April 1994, 1, 3). When the meeting was convened, the premiers appeared to have backed down and secession was not discussed (*IBP*, May 1994, 16).

In early September, the premiers engineered another confrontation with the newly elected Chan government. They demanded "absolute autonomy" for each of the island provinces by 7 December, or independence would be declared on 6 January 1995 (*PC*, 8 Sept 1994, 5). The response of the Chan government, at that time preoccupied with the Bougainville peace initiative, was somewhat confused. At first the prime minister indicated that the issues raised by the premiers were nonnegotiable, but almost immediately he dispatched a senior minister, Arnold Marsipal, to meet with them (*PC*, 9 Sept 1994, 1; 12 Sept 1994, 3). Marsipal's discussions were interrupted by the Rabaul volcanic eruption, but in November the leaders were summoned to Port Moresby for further talks with Deputy Prime Minister Chris Haiveta. A few days earlier Chan had provided some additional incentive for the premiers to attend by authorizing the police to lay treason charges against them (*PC*, 14 Nov 1994, 3; 17 Nov 1994, 1). Both sides appeared satisfied with the results of the talks, and the



island leaders declared that secession was no longer an issue (*PC*, 21 Nov 1994, 5).

The island premiers may not remain satisfied for long if Chan persists in his stated support for the reforms proposed by the Constitutional Commission (*PC*, 18 Nov 1994, 3; 21 Nov 1994, 1). On the other hand, Chan's support must have been warmly welcomed by commission chair Ben Micah. Although the Wingti government had endorsed his proposals at the beginning of the year, the implementing bills were first deferred and later, after Micah completed a grueling tour of the provinces, withdrawn for redrafting. Micah might have expected opposition in the provinces, but he may not have anticipated the difficulty of keeping the national politicians on task. After Provincial Affairs Minister John Nilkare told a meeting of the Premiers Council in July that the issue was still open for debate, Micah urged the cabinet to get on with the reforms. "If they cannot make a decision," he said, "they'd better bloody tell the nation" (*PC*, 29 July 1994, 5).

Even if the massive opposition to provincial government reform could have been overcome in 1994, the cost of implementing the reforms would probably have delayed action. This was a watershed year in Papua New Guinea's economic history, one that, according to Finance Minister Chris Haiveta, brought the country to "the very brink of international bankruptcy" (*TPNG*, 10 Nov 1994, 18). The economy itself remained reasonably buoyant, with the nonmining sector in particular enjoying the benefits of

rising export commodity prices. The problems that emerged in 1994 were the accumulated results of several years of poor macroeconomic management, previously an area of strength for Papua New Guinea. The hallmark of the crisis was a ballooning budgetary deficit, most of it unplanned. The deficit was 233 million kina in 1992 and a further 297 million kina was added in 1993. By mid-1994 another 284 million kina had been accrued, to make a massive accumulated deficit of about 810 million kina (*TPNG*, 10 Nov 1994, 19). Another symptom was a sharp reduction in foreign exchange reserves, which by June were barely adequate to cover one month's worth of imports. By the end of the year, government services were virtually paralyzed by lack of funds, some public servants were not getting paid, and the government owed an estimated A\$200 million to private companies (*TPNG*, 1 Dec 1994, 2).

The rising deficit was partly the result of unrealistic estimates of government revenue built into the 1993 and 1994 budgets. The 1993 budget, for example, assumed continued rapid economic growth driven by foreign investment, and introduced tax concessions to encourage this trend, which did not eventuate, in part because of the uncertainty in the minerals sector generated by other government policies. As a result, government revenue did not rise as rapidly as planned, and the problem was compounded in the 1994 budget, which was similarly optimistic. However, the main difficulty has been on the expenditure side of the equation, where costs have consis-

tently been underestimated. For example, the sum of 10 million kina was earmarked for the Bougainville operation in 1994, when actual costs were more than 60 million kina a year. More important, departments have been able to routinely overspend their budgets, often by considerable amounts (*TPNG*, 13 Oct 1994, 2). In what Haiveta described as "a massive spending binge," government expenditures rose by 14.3 percent in 1992, 18.2 percent in 1993, and an estimated 23 percent in 1994 (*TPNG*, 10 Nov 1994, 19).

Some of these problems were acknowledged by Masket Iangalio when he took over as finance minister in January, but his March minibudget did little to reverse the negative trends. It restored some of the "mosquito taxes" that Finance Minister Chan had removed in 1993, but failed to make a significant dent in government spending (*TPNG*, 10 March 1994, 2). In June, the seriousness of the situation became more apparent when Iangalio tried to negotiate an overseas loan of US\$160 million to cover the budget deficit. Eventually a syndicate of banks headed by the Union Bank of Switzerland agreed to lend US\$90 million, but on condition that it be repaid directly from mining and oil revenues (*PC*, 9 June 1994, 3). Opposition Leader Chris Haiveta decried the deal as a "scandalous and criminal sellout" (*TPNG*, 30 June 1994, 1). In August, however, the government changed, and it was his turn to deal with the crisis.

On 11 September Haiveta announced a 12 percent devaluation of the kina, in part to relieve speculative pressure on foreign reserves, which

had been depleted by US\$120 million in August alone (*PC*, 12 Sept 1994, 1). When currency speculation continued, the Chan government decided on more radical action and announced that the long-standing "hard kina" policy would be abandoned. Instead of being tied to the value of a basket of major currencies, the value of the kina would henceforth be determined largely by market forces. The value of the kina dropped still further after the float, providing an incentive to exporters but increasing the domestic cost of living through higher prices for imports.

In November, the government announced that it would defer the budget until March 1995 and passed a temporary "supply bill" to cover the first three months of the year. The bill introduced a range of revenue-generating measures, foreshadowed the sale of investments in mining and oil projects worth at least 50 million kina, and called for a 7.5 percent cut in public service positions (*TPNG*, 10 Nov 1994, 17-21). According to the critics, much more drastic remedial action was required, especially in the area of government spending. Negotiations were under way at the end of the year for a loan and aid package to cover the projected US\$215 million balance of payments deficit for 1995. The donors, led by the World Bank, were reportedly eager to make the deal contingent on government restructuring, privatization of nonessential services, an end to rural subsidies, and increased investment in education, health, and infrastructure (*SMH*, 16 Jan 1995, 7).

Critics were equally dismayed at the slow progress on the Lihir gold mine, which is expected to play a crucial role

in offsetting declining revenues from other large-scale resource projects. In recent years, a number of government ministers have pursued contradictory policies concerning the ownership structure of the project. Early in 1994, Prime Minister Wingti still seemed to support an earlier commitment to bring the Malaysian Mining Corporation into the deal on favorable terms (PC, 25 March 1994, 55). Finance Minister Masket Iangalio, on the other hand, seemed determined to pursue the ownership option that he had negotiated in late 1993 with the project's developer, Rio Tinto Zinc. Meanwhile, John Kaputin, who had replaced Iangalio as mining minister in January, appeared to side with Wingti, but made his support for landowners and his deep distrust of Rio Tinto clear (PC, 6 May 1994, 1). In April, Iangalio gained the upper hand when he ousted Wingti adviser and architect of the Malaysian deal Bob Needham as director of the Mineral Resources Development Corporation (PR, 18 April 1994, 3). By August, Iangalio's victory seemed complete when Kaputin, swayed by a critical consultant's report, indicated that he would no longer be guided by the Needham plan (TPNG, 21 July 1994, 26).

Soon after assuming power in August, Prime Minister Chan declared his intention to "fast-track" the Lihir project and ruled out any special deal for the Malaysians (PC, 1 Sept 1994, 31). In mid-December, Mining Minister John Giheno announced that the government would take 30 percent of the equity in the project and pass half on to Lihir landowners, who had earlier insisted on 20 percent. Rio Tinto

Zinc and Niugini Mining would take 40 percent and 30 percent respectively (PC, 14 Dec 1994, 1). This agreement appeared to leave the way clear for the issue of a special mining lease early in 1995 and for the public share float to raise some A\$350 million toward developing the A\$900-million project.

By dumping waste and tailings at sea, the Lihir mine may avoid some of the environmental issues that have plagued other large-scale projects in Papua New Guinea. By the end of the year, the fate of the 2.75 billion kina lawsuit brought by landowners on the Fly and Ok Tedi Rivers against Broken Hill Proprietary, the operator of the Ok Tedi copper mine, for environmental damage, remained unclear (PC, 14 Sept 1994, 2). Of more immediate concern for the Chan government was the cost of the natural environmental disaster that displaced more than fifty thousand people and largely destroyed Rabaul in East New Britain in September (TPNG, 22 Sept 1994, 1). The relief effort, known rather euphemistically as Operation Unity, placed a further strain on tight government resources, and a source for the estimated 34 million kina required to rebuild the town had not been identified by year's end (PC, 11 Nov 1994, 3).

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## VANUATU

The coalition government of Maxim Carlot Korman consolidated its position during 1994, overcoming opposition maneuvering and an extended strike by public servants. It replaced the district councils with six provincial councils and attempted to improve economic management and reduce irresponsible forestry exploitation.

In January the government replaced

Vanuatu's long-serving representative to the United Nations, Robert Van Lierop, with Jean Ravo. Van Lierop had established a good reputation, and his replacement appeared to reflect concern over his earlier connections with Anglophone opposition politicians. Around the same time *Vanua-scope*, which had been Vanuatu's only privately owned newspaper, closed down after a year of publication, though apparently from poor profitability rather than political pressure.

On 28 February Jimmy Moli Stephens (also spelt Stevens) died at his home on Espiritu Santo, after a long period of ill health. He had been released from jail in 1991, following his imprisonment for leading an abortive secessionist attempt in Espiritu Santo and nearby islands in 1980.

Electing a new national president to replace Fred Timakata, following the completion of his term, was a drawn-out process. The opposition boycotted the first poll on 14 February. They complained that the electoral college had not been given appropriate formal notification, and were hopeful that blocking the process might oblige the holding of early national elections. At a second vote on 16 February, neither candidate gained the required two-thirds majority. Finally, on 2 March, Jean-Marie Léyé was elected president.

The public servants' strike, which had begun on 24 November 1993, continued into April 1994, attracting some support from other employees. The strikers had demanded a 16 per cent pay raise, to compensate for the erosion of their salaries by inflation over the preceding five years. Following a court ruling that the strike was

illegal, because the union leaders had failed to pursue negotiations sufficiently before calling it, the Public Service Commission resolved to sack all striking public servants, on the basis that they could reapply for their positions once these were readvertised. After the sacking of about six hundred workers, the strike came to an end.

Father Lini and his National United Party (NUP) pursued cooperation with the other opposition parties during the year, but Lini also kept his options open by discussing the possible return of his party to the governing coalition, in which Korman's Union of Moderate Parties (UMP) remained the dominant group. Lini and his supporters also criticized NUP members Sethy Regenvanu, Edward Tambisari, and Cecil Sinker. These three members of parliament had remained with the government when the coalition broke down in August 1993, thus enabling the government to retain office. At its congress in May, the National United Party expelled the three men and their political staff. The expelled group formed itself into a new body, the People's Democratic Party, on 18 May.

Assisted by continuing tensions between and within the various opposition parties, which contributed to their failure to appear credible as an alternative and thus attract defectors from government ranks, Prime Minister Korman comfortably defeated a no-confidence motion on 2 June by 25 votes to 19, with one member of parliament not voting. The proponents of the vote had criticized the government for sacking civil servants in order to

break their strike, for breaches of the leadership code, and for poor economic management.

At the fifteenth annual conference of the Union of Moderate Parties, held from 18 to 23 July on Atchin Island off the eastern coast of Malekula, Korman and his colleagues expressed confidence that their party was going from strength to strength and would be able to win government in its own right in the next national elections, which are due by late 1995. But the results of the provincial government elections on 15 November suggested that their confidence may have been excessive.

These elections had become necessary following the implementation of a decentralization bill, passed early in May, which replaced the eleven provincial councils established around the time of independence with six provincial councils. From north to south in the archipelago, the new provinces consisted of Torba (Torres, Banks, and nearby smaller islands), Sanma (Espiritu Santo, Malo, and nearby smaller islands), Penama (Ambae, Maewo, Pentecost, and nearby smaller islands), Malampa (Malekula, Ambrym, Paama, and nearby smaller islands), Shefa (Epi, Shepherds, Efate, and nearby smaller islands), and Tafea (Erromango, Tanna, Anatom, Aniwa, and Futuna). The powers of the new councils would remain limited, but the government envisaged that the fostering of commercial centers in the capital of each province would provide an alternative for young people, checking urban drift to Port Vila.

The elections were held under a newly introduced proportional voting system that gave an advantage to

larger and well-organized political groupings while disadvantaging smaller parties and independents. The three groupings that contested the poll each won control of two of the six new provincial councils. The Union of Moderate Parties gained 19,509 votes overall and won office in Tafea and Sanma. The United Front—a coalition of the Vanua'aku Pati, the Melanesian Progressive Party, the Tan Union, and Nagriamel—gained 19,995 votes and won control of Shefa, the most populous province, and Malampa. For its part, the National United Party, with 11,174 votes overall, won control of Torba and Penama. The minority party in the national governing coalition, Sethy Regenvanu's People's Democratic Party, did not take part in the poll. A party press communiqué explained that this nonparticipation had been because the Korman government had failed to gain full cabinet approval for decisions relating to some of the election arrangements. But the main reason for nonparticipation may have been the party's failure to complete the required formalities within the prescribed time.

During the year the planned establishment of the "Santo Mini-Township and Industrial Park" adjacent to Luganville (Santo Town) on Espiritu Santo sparked controversy. Financed by Taiwanese interests, the project involves the settlement of up to three thousand Taiwanese in the new center. At the foundation-laying ceremony on 17 June, Prime Minister Korman stressed the development opportunities offered by the project, but its opponents claimed that the proposed immigrants would deprive local workers

of employment and their presence would have other negative effects on ni-Vanuatu interests.

From the middle of the year Vanuatu's new president, Jean-Marie Lényé, attracted criticism. In July he pardoned a Taiwanese fishing captain recently sentenced to six years' jail for illegal fishing in Vanuatu's exclusive economic zone, and ordered the release of the captain's impounded vessel. In addition, the prisoners to whom he granted early release to mark Independence Day on 30 July included one criminal with a long record of rape and other violent offenses. The rumor circulated that a five-million-vatu bribe had been paid to secure the release of the Taiwanese captain and his vessel. Father Lini said in parliament that he understood that, with respect to their release, the president had been following government instructions. In November the government took the president to court over the fishing case to establish whether he had acted beyond his constitutional jurisdiction (VW, 26 Nov 1994, 1).

Concern continued during the year over violence against and involving women. A Health Department representative, Louis Nako, told participants in a workshop on women and violence held on Tanna in July that rape was becoming a game or competition played by men on Tanna (VW, 28 July 1994, 9). In September Chief Justice Charles Vaudin d'Imecourt said it appeared that assaults on women in Vanuatu had become almost an accepted fact of life and were a "growing disease" (VW, 24 Sept 1994, 5). Women also engaged in violence, notably in attacks on unfaithful hus-



bands. During the year to August 1994, more than 40 percent of the defendants in violence-related court cases were women (VW, 6 Aug 1994, 5). In November, the Vanuatu National Council of Women claimed that the status of women was very low in Vanuatu compared to other countries (VW, 6 Nov 1994, 5).

Corruption and maladministration also remained a cause for concern. In December 1993 the government had disbanded a commission of inquiry, headed by Clarence Marae, who himself had earlier been subject to corruption charges, which had reported evidence of high-level corruption. Rumors and allegations continued to surface during 1994, but the government was mostly reluctant to pursue them. The government did, however, establish Vanuatu's first ombudsman on 7 July, in an apparent effort to improve administrative standards and protect citizens' rights. Madame Marie Noëlle Ferrieux Patterson, a French-born citizen of Vanuatu, was appointed. She has legal and other academic qualifications, and previously had been a partner in a real estate business. More controversially, the government appointed Mr Luke Siba as chief of police on 9 September. He had served as a French police officer before independence, and afterward as a ni-Vanuatu police officer until 1981. But he also, as opposition politicians complained, had served time in prison for dangerous driving in 1979, theft in 1982, and misappropriation of funds and theft in 1983.

During the year the Korman government maintained constructive relations with traditional partners,

including France, Australia, and the other Melanesian countries, but also consolidated and diversified Vanuatu's other international links, notably with Malaysia. In May the prime minister took part in the first world conference on sustainable development in small island countries, in Bridgetown, Barbados. (Ms Hilda Lini, MP, also took part, as a member of an Eminent Person's Group.) In July, Mr Korman's government accredited, for the first time, an Israeli ambassador, who will serve on a nonresident basis. The nonresident ambassadors of the United States, Japan, Italy, and Spain also visited during the year.

In July Prime Minister Korman attended the eighth meeting of the Melanesian Spearhead Group, held at Auki in Malaita, Solomon Islands, and endorsed efforts to encourage further cooperation between the Melanesian countries. In August he took part in the South Pacific Forum, held in Brisbane, Australia, and supported initiatives to improve regional and country-level management of fisheries, forests, and other natural resources. On his return from the Forum his government foreshadowed legislation to ban the export of unprocessed timber, in order to oblige foreign timber companies to invest in processing facilities in Vanuatu. The ban is to be phased in gradually, however, and may prove less effective than would at first appear.

Forestry exploitation was a major theme of the prime minister's visit to Malaysia in early November. Visiting there on his way back from France, he received, according to the *Vanuatu Weekly*, "an exceptional welcome"

(VW, 19 Nov 1994, 3). He had several discussions with Prime Minister Mahathir and engaged in other consultations. After visiting the Forest Research Institute of Malaysia, Mr Korman said that Vanuatu had sought Malaysia's technological expertise to assist in Vanuatu's sustainable development. He welcomed Malaysian investment in forestry and other ventures, but noted that his government's policy was to preserve 50 percent of the virgin forest on each island (VW, 19 Nov 1994, 5). Some observers were concerned, however, about the record of some Malaysian timber companies. Doubts also arose about Vanuatu's ability to monitor major logging projects effectively (see VW, 11 June 1994, 1).

Consistent with its membership of the South Pacific Forum and the Melanesian Spearhead Group, Vanuatu welcomed the opportunity to deploy members of the Vanuatu Mobile Force in peacekeeping operations in Bougainville in early October. Fifty personnel were sent to join those of Fiji and Tonga in the South Pacific Peacekeeping Force. The deployment received broad support in Vanuatu, and the conduct of the Vanuatu Mobile Force members was well regarded in Bougainville. They proved especially useful as Pidgin-English interpreters in inter-

actions between local people and the Fijians and Tongans.

Copra remained Vanuatu's most lucrative export crop, despite generally poor prices on the international market. Other exports included timber, beef, cocoa, kava, and coffee. The economy remained sluggish, with hopes for improvement centered on forestry, tourism, and economic restructuring, notably the trimming of the public sector. In November the government foreshadowed a planned reduction during 1995 of 20 percent of public service jobs.

Overall during 1994, the Korman government demonstrated, compared with 1992 and 1993, greater assurance in its handling of Vanuatu's domestic and external affairs. It remains to be seen whether this serenity will be maintained in the lead-up to the national elections in late 1995.

STEPHEN HENNINGHAM

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- VW, *Vanuatu Weekly*. Vila.